App.), 214 S. W. 656. But the weight of authority is *contra*. *People's Bank* v. *Franklin Bank*, 88 Tenn. 299, 12 S. W. 716, 6 L. R. A. 724; *First National Bank* v. *First National Bank*, 4 Ind. App. 355, 30 N. E. 808, 51 Am. St. Rep. 221.

BILLS AND NOTES—HOLDER FOR VALUE—BANK CREDITING PROCEEDS ON ITS BOOKS.—The plaintiff purchased from the drawer before maturity and without notice a bill of exchange drawn on the defendant, and gave the drawer credit on his deposit account. The credit had not been checked out before the bank learned of an existing equity. The question arose of whether the bank was a holder for value. *Held*, it is not. *Alamo National Bank* v. *Dawson Produce Co.* (Okla.), 190 Pac. 393.

In general, a purchaser of commercial paper is a holder for value when he has given for the note his money, goods, or credit at the time of receiving it or has on account of it sustained some loss or incurred some liability. *Kimbro* v. *Lytle*, 10 Yerg. (Tenn.) 417, 31 Am. Dec. 585. Hence, when a bank discounts negotiable paper for a depositor and merely gives him credit on its books for the proceeds, it is not a holder for value, unless some other valuable consideration passes. *Alabama Grocery Co.* v. *First National Bank*, 158 Ala. 143, 48 So. 340, 132 Am. St. Rep. 18; *Drovers' National Bank* v. *Blue*, 110 Mich. 31, 67 N. W. 1105. Here, the relation between the bank and the depositor is only one of debtor and creditor. *Alabama Grocery Co.* v. *First National Bank, supra; New York County National Bank* v. *Massey*, 192 U. S. 138.

However, if the depositor is indebted to the bank in a sum equal to or greater than the proceeds of the negotiable paper, then the bank is a holder for value. *City Deposit Bank* v. *Green*, 130 Iowa 384, 106 N. W. 942. Likewise, the bank holds for value, when the amount credited has been drawn out in checks before the bank has notice of the equity. *Fox* v. *Bank of Kansas City*, 30 Kan. 441, 1 Pac. 789. The status is the same if the account varies from time to time subsequent to the crediting of the amount, but is several times overdrawn before the bank gets notice. *Northfield National Bank* v. *Arndt*, 132 Wis. 383, 112 N. W. 451, 12 L. R. A. (N. S.) 82.

In determining whether a particular sum placed to a customer's bank account has been exhausted, amounts paid on his checks should be charged against the oldest items of deposit or credit. *First National Bank* v. *McNairy*, 122 Minn. 215, 142 N. W. 139, Ann. Cas. 1914D 977; *Fox* v. *Bank of Kansas City, supra*. Hence, when the sum so credited by discounting the negotiable paper has been drawn out many times and replaced by new deposits, the bank is a holder for value, though the balance during the entire period has always been more than the amount of the proceeds. *Dreilling* v. *First National Bank*, 43 Kan. 197, 23 Pac. 94, 19 Am. St. Rep. 126. But see *Union National Bank* v. *Windsor*, 101 Minn. 470, 112 N. W. 999, 118 Am. St. Rep. 641, 11 Ann. Cas. 204 and note; *Albany County Bank* v. *Peoples, etc., Co.*, 86 N. Y. Supp. 773.

When any substantial portion of the proceeds is withdrawn by check, one line of authority holds that the bank is a holder for value. *First National Bank* v. *Persall*, 110 Mich. 333, 125 N. W. 506, 675; *Security Bank* v.

Petruschke, 101 Minn. 478, 112 N. W. 1000, 118 Am. St. Rep. 644. But see *contra* N. I. L. § 54; *Hodge* v. *Smith,* 130 Wis. 326, 110 N. W. 192.

The only case in point that has arisen in Virginia holds that the bank on merely crediting the proceeds on its books is not a holder for value. *Miller* v. *Norton,* 114 Va. 609, 77 S. E. 452.

CONSTITUTIONAL LAW—COMPENSATION OF FEDERAL JUDGES—FEDERAL INCOME TAX THEREON.—The Federal Constitution, Art. 3, § 1, provides that "the judges * * * shall, at stated times, receive for their services, a compensation, which shall not be diminished during their continuance in office." Amendment 16 provides, "The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, * * *." Under Act of Congress of February 24, 1919, c. 18, § 213, Comp. Stat. Ann. Supp., 1919, § 6336⅛ff, a United States District Judge was taxed on his income received as compensation for his services as judge. He paid the tax under protest and brought action to recover the amount so paid, on the ground of unconstitutionality. *Held,* the plaintiff should recover. *Evans* v. Gore, 40 Sup. Ct. 550. See NOTES, p. 69.

CONTRACTS—PROMISE FOR AN ACT—MERE COMPLIANCE WITH TERMS OF OFFER BEFORE REVOCATION MAKES A BINDING CONTRACT.—Defendant hired the plaintiff to work for him at a stipulated monthly salary, nothing being said about a bonus. At the time the plaintiff started to work, the defendant posted a notice offering "a 5 per cent. bonus to every man in our employ * * * making four months' straight time." Plaintiff read the notice, but did not notify his employer of his effort to secure the bonus, and then worked the required time. The defendant refused to pay the plaintiff the bonus, and an action was brought to recover it. *Held,* the plaintiff may recover. *Henderson Land & Lumber Co.* v. *Barber* (Ala. App.), 85 So. 35.

In order for there to be a binding contract, there must be an offer and an acceptance. This offer and acceptance may take various forms. (1) An offer may be a promise, under seal, and a simple assent the acceptance. *O'Brien* v. *Boland,* 166 Mass. 481, 44 N. E. 602. (2) There may be an offer of an act for a promise, implied or expressed, which constitutes acceptance. *Wojahn* v. *National Bank of Oshkosh,* 144 Wis. 646, 129 N. W. 1068. (3) Or an offer of a promise for a promise, the ordinary bilateral contract. *Phillips* v. *Preston,* 5 How. 278; *Lester* v. *Lester,* 28 Gratt. (Va.) 737. (4) Or there may be an offer of a promise for an act. *Vigo Agricultural Society* v. *Brumfield,* 102 Ind. 146, 1 N. E. 382, 52 Am. Rep. 657; *Ryer* v. *Stockwell,* 14 Cal. 134, 73 Am. Dec. 634.

The offer of a bonus or reward need not be made to any definite, ascertained person, but may be made to a class of persons or to the public generally. *Ryer* v. *Stockwell, supra.* The offer may be made by one standing in a crowd and shouting out the offer to those present. *Rief* v. *Page,* 55 Wis. 496, 13 N. W. 473. In the course of a political speech. *Wilmoth* v. *Hensel,* 151 Pa. St. 200, 25 Atl. 86, 31 Am. St. Rep. 738. By advertisements inserted in a newspaper. *Carlill* v. *Smoke Ball Co.* (1893), 1 Q. B. 256.